

Union Calendar No. 192

106TH CONGRESS
1ST SESSION

H. R. 1993

[Report No. 106-325]

A BILL

To reauthorize the Overseas Private Investment Corporation and the Trade and Development Agency, and for other purposes.

SEPTEMBER 17, 1999

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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To reauthorize the Overseas Private Investment Corporation and the Trade and Development Agency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 27, 1999

Mr. MANZULLO (for himself, Mr. MENENDEZ, Mr. GILMAN, Mr. GEJDENSON, Mr. ACKERMAN, Mr. BENTSEN, Mr. BEREUTER, Mr. BERMAN, Mrs. BIGGERT, Mr. BLUNT, Mr. BRADY of Texas, Mr. CALLAHAN, Mrs. CLAYTON, Mr. COOKSEY, Mr. COSTELLO, Mr. DAVIS of Illinois, Mr. DELAHUNT, Mr. DELAY, Mr. DIAZ-BALART, Mr. ENGLISH, Mr. EWING, Mr. FATTAH, Mr. FROST, Mr. GALLEGLY, Mr. GUTIERREZ, Mr. HASTINGS of Florida, Mr. HOFFEL, Mr. HOUGHTON, Ms. JACKSON-LEE of Texas, Ms. KILPATRICK, Mr. KNOLLENBERG, Mr. KOLBE, Mr. LAHOOD, Mr. LANTOS, Mr. LEACH, Mrs. MCCARTHY of New York, Mr. MATSUI, Mrs. MEEK of Florida, Mrs. NAPOLITANO, Mr. ORTIZ, Mr. PACKARD, Mr. PORTER, Mr. RANGEL, Mr. ROTHMAN, Mr. RUSH, Mr. SAWYER, Mr. SHERMAN, and Mr. BERRY) introduced the following bill; which was referred to the Committee on International Relations

SEPTEMBER 17, 1999

Additional sponsors: Mr. CLEMENT, Mr. CLYBURN, Ms. HOOLEY of Oregon, Mr. CROWLEY, Mr. DAVIS of Florida, Mr. DREIER, Ms. LOFGREN, Mrs. LOWEY, Mr. PHELPS, Mr. SNYDER, Mr. LAFALCE, Mr. JEFFERSON, Mr. BOEHLERT, Mr. RADANOVICH, Mr. RODRIGUEZ, Mr. HILLIARD, and Mr. KLINK

SEPTEMBER 17, 1999

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

A BILL

To reauthorize the Overseas Private Investment Corporation and the Trade and Development Agency, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Export Enhancement
5 Act of 1999”.

6 **SEC. 2. FINDINGS.**

7 The Congress makes the following findings:

8 (1) Since it began operations in 1971, the Over-
9 seas Private Investment Corporation (in this Act re-
10 ferred to as “OPIC”) has sold investment services
11 and mobilized private sector resources to assist de-
12 veloping countries and emerging democracies in the
13 transition from nonmarket to market economies.

14 (2) In an era of declining Federal budgetary re-
15 sources, OPIC has consistently demonstrated an
16 ability to operate on a self-sustaining basis to sup-
17 port United States companies and promote economic
18 reform in emerging economies in Africa, the newly

1 independent states of the former Soviet Union,
2 Latin America, and the Caribbean.

3 (3) OPIC has played an important role in rein-
4 forcing United States foreign policy goals and in
5 strengthening the United States economy by cre-
6 ating jobs and promoting exports.

7 (4) Over the past 28 years, projects supported
8 by OPIC have generated over \$58,000,000,000 in
9 United States exports, mobilized \$121,000,000,000
10 of United States private sector investment, and cre-
11 ated more than 237,000 United States jobs.

12 (5) OPIC has been run on a sound financial
13 basis with reserves totaling approximately
14 \$3,300,000,000 and with an estimated net budget
15 contribution to the international affairs account of
16 some \$204,000,000 in fiscal year 2000.

17 (6) OPIC has maintained a claims recovery rate
18 of 95 percent, settling 254 insurance claims for
19 \$541,000,000 and recovering all but \$29,000,000
20 since 1971.

21 (7) OPIC programs have served to rectify mar-
22 ket failures, including limited market information in
23 developing countries and underdeveloped capital
24 markets, by insuring United States firms against
25 economic and market uncertainties.

1 (8) The Trade and Development Agency (in
2 this Act referred to as “TDA”) promotes United
3 States business involvement in infrastructure
4 projects in developing and middle income countries.

5 (9) TDA has generated \$12,300,000,000 in ex-
6 ports since its inception, with every \$1 in spending
7 for TDA projects leading to the sale of \$32 in
8 United States goods and services overseas.

9 (10) The United States and Foreign Commer-
10 cial Service (in this Act referred to as the “Commer-
11 cial Service”) plays an important role in helping
12 United States businesses identify export opportuni-
13 ties and develop reliable sources of information on
14 commercial prospects in foreign countries.

15 (11) The Congress has, on several occasions,
16 encouraged the Commercial Service to focus its re-
17 sources and efforts in countries or regions in Europe
18 and Asia to promote greater United States export
19 activity in those markets.

20 (12) The Congress supports the expansion of
21 the Rural Export Initiative by the International
22 Trade Administration (in this Act referred to as the
23 “ITA”) of the Department of Commerce, particu-
24 larly those elements related to the use of information
25 technology and electronic commerce techniques.

1 (13) *The Congress is encouraged by the success of*
2 *the Market Access and Compliance Unit of the ITA*
3 *and supports the Unit's efforts to develop mobile*
4 *teams to resolve market access problems and ensure*
5 *compliance by United States trading partners with*
6 *trade agreements and commitments.*

7 (14) *The Congress acknowledges the demands*
8 *upon the Market Access and Compliance Unit of the*
9 *ITA and recommends that priority be given to fund-*
10 *ing for this unit to ensure that adequate resources are*
11 *available for it to fully implement its mission.*

12 **SEC. 3. POLICY RECOMMENDATIONS.**

13 The Congress makes the following declarations:

14 (1) OPIC should set its fees at levels sufficient
15 to cover all operating costs, repay any subsidy ap-
16 propriations, and set aside adequate reserves against
17 future losses.

18 (2) OPIC should maintain a conservative ratio
19 of reserves to contingent liabilities and limit its obli-
20 gations in any one country in its worldwide finance
21 or insurance portfolio.

22 (3) Projects supported by OPIC should not dis-
23 place commercial finance or insurance offerings and
24 should encourage private sector financing and insur-
25 ance participation.

1 (4) Independent auditors should report annually
2 to the Congress on the level of OPIC's reserves in
3 relation to its liabilities and provide an analysis of
4 the trends in the levels of reserves and liabilities and
5 the composition of its insurance and finance port-
6 folios, including OPIC's investment funds.

7 (5) OPIC should double the dollar value of its
8 support for small businesses over the next four
9 years.

10 (6) In administering the programs and activi-
11 ties of the ITA, the Secretary of Commerce should
12 give particular emphasis to obtaining market access
13 for United States firms and to securing full compli-
14 ance with bilateral and multilateral trade agree-
15 ments.

16 (7) The ITA should facilitate the entrance of
17 United States businesses into the countries of sub-
18 Saharan Africa and Latin America.

19 (8) The Commercial Service, within the ITA,
20 should consider expanding its presence in urban
21 areas and in urban enterprise areas.

22 **SEC. 4. OPIC ISSUING AUTHORITY.**

23 Section 235(a)(2) of the Foreign Assistance Act of
24 1961 (22 U.S.C. 2195(a)(3)) is amended by striking
25 “1999” and inserting “2003”.

1 **SEC. 5. TRADE AND DEVELOPMENT AGENCY.**

2 (a) PURPOSE.—Section 661(a) of the Foreign Assist-
 3 ance Act of 1961 (22 U.S.C. 2421(a)) is amended by in-
 4 serting before the period at the end of the second sentence
 5 the following: “, with special emphasis on economic sectors
 6 with significant United States export potential, such as
 7 energy, transportation, telecommunications, and environ-
 8 ment”.

9 (b) CONTRIBUTIONS OF COSTS.—Section 661(b) of
 10 the Foreign Assistance Act of 1961 (22 U.S.C. 2421(b))
 11 is amended by adding at the end the following:

12 “(5) CONTRIBUTIONS TO COSTS.—The Trade
 13 and Development Agency shall, to the maximum ex-
 14 tent practicable, require corporations and other enti-
 15 ties to—

16 “(A) share the costs of feasibility studies
 17 and other project planning services funded
 18 under this section; and

19 “(B) reimburse the Trade and Develop-
 20 ment Agency those funds provided under this
 21 section, if the corporation or entity concerned
 22 ~~succeeds in implementing the project for which~~
 23 ~~the funds were provided.”. succeeds in project~~
 24 ~~implementation.”.~~

25 (c) FUNDING.—Section 661(f) of the Foreign Assist-
 26 ance Act of 1961 (22 U.S.C. 2421(f)) is amended—

1 (1) in paragraph (1)(A) by striking
 2 “\$77,000,000” and all that follows through “1996”
 3 and inserting “\$48,000,000 for fiscal year 2000 and
 4 such sums as may be necessary for each fiscal year
 5 thereafter”; and

6 (2) in paragraph (2)(A), by striking “in fiscal
 7 years” and all that follows through “provides” and
 8 inserting “in carrying out its program, provide, as
 9 appropriate, funds”.

10 **SEC. 6. PROGRAMS OF THE INTERNATIONAL TRADE ADMIN-**
 11 **ISTRATION.**

12 (a) **FUNDING.**—There are authorized to be appro-
 13 priated to the ITA—

14 (1) for fiscal year 2000, \$24,000,000 for its
 15 Market Access and Compliance program,
 16 \$68,000,000 for its Trade Development program,
 17 and \$202,000,000 for the Commercial Service pro-
 18 gram; and

19 (2) for each fiscal year thereafter, such sums as
 20 may be necessary for the programs referred to in
 21 paragraph (1).

22 (b) **APPOINTMENTS.**—Subject to the availability of
 23 appropriations, the Secretary of Commerce, acting
 24 through the Assistant Secretary of Commerce and Direc-
 25 tor General of the United States and Foreign Commercial

1 Service, shall take steps to ensure that Commercial Serv-
2 ice employees are stationed in no fewer than 10 sub-Saha-
3 ran African countries *and 1 full-time Commercial Service*
4 *employee is stationed in the Baltic states*, and that the
5 Commercial Service has full-time employees in each coun-
6 try in South and Central America and an adequate num-
7 ber of employees in the Caribbean to ensure that United
8 States businesses are made aware of existing market op-
9 portunities for goods and services.

10 (c) INITIATIVE FOR SUB-SAHARAN AFRICA AND
11 LATIN AMERICA.—The ~~Assistant Secretary of Commerce~~
12 ~~and Director General of the United States and Foreign~~
13 ~~Commercial Service~~ *Secretary of Commerce, acting through*
14 *the Under Secretary of Commerce for the International*
15 *Trade Administration*, shall make a special effort to—

16 (1) identify those goods and services of United
17 States companies which are not being exported to
18 Latin America and sub-Saharan Africa but which
19 are being exported to countries in those regions by
20 competitor nations;

21 (2) identify trade barriers and noncompetitive
22 actions, including violations of intellectual property
23 rights, that are preventing or hindering the oper-
24 ation of United States companies in sub-Saharan
25 Africa and Latin America;

1 (3) publish on an annual basis the information
2 obtained under paragraphs (1) and (2);

3 (4) bring such information to the attention of
4 authorities in sub-Saharan Africa and Latin Amer-
5 ica with the goal of securing greater market access
6 for United States exporters of goods and services;
7 and

8 (5) report to the Speaker of the House of Rep-
9 resentatives and the President of the Senate the re-
10 sults of the efforts to increase the sales of United
11 States goods and services in sub-Saharan Africa and
12 Latin America.

13 (d) *REPORTING ON VIOLATIONS OF TRADE AGREE-*
14 *MENTS.—The ITA should—*

15 (1) *identify countries and entities, as prac-*
16 *ticable, that violate commitments under trade agree-*
17 *ments with the United States and the impact of these*
18 *violations on specific sectors of the United States*
19 *economy;*

20 (2) *identify steps taken by the ITA on behalf of*
21 *United States companies affected by these violations;*
22 *and*

23 (3) *publicize, on an annual basis, the informa-*
24 *tion gathered under paragraphs (1) and (2).*

1 **[(d)]** (e) GLOBAL DIVERSITY AND URBAN EXPORT
2 INITIATIVE FOR THE ITA.—The ITA shall undertake an
3 initiative entitled the “Global Diversity and Urban Export
4 Initiative” to increase exports from minority-owned busi-
5 nesses, focusing on businesses in under-served areas, in-
6 cluding inner-city urban areas and urban enterprise zones.
7 The initiative should use electronic commerce technology
8 and products as another means of helping urban-based
9 and minority-owned businesses export overseas.

10 (f) *STANDARDS ATTACHES.*—*Subject to the avail-*
11 *ability of appropriations, the International Trade Admin-*
12 *istration shall take the necessary steps to increase the num-*
13 *ber of standards attaches in the European Union and in*
14 *developing countries.*

15 (g) *EXPANSION OF PROGRAMS TO ASSIST SMALL*
16 *BUSINESSES.*—*The International Trade Administration*
17 *shall expand its efforts to assist small businesses in export-*
18 *ing their products and services abroad by using electronic*
19 *commerce technology and other electronic means—*

20 (1) *to communicate with significantly larger*
21 *numbers of small businesses about the assistance of-*
22 *fered by the ITA to small businesses in exporting*
23 *their products and services abroad; and*

24 (2) *to provide such assistance.*

1 **[(e)]** *(h)* AUTHORIZATION FOR ADVERTISING.—The
 2 ITA is authorized to advertise in newspapers, business
 3 journals, and other relevant publications and related
 4 media to inform businesses about the services offered by
 5 the ITA.

6 **SEC. 7. BOARD OF DIRECTORS.**

7 Section 233(b) of the Foreign Assistance Act of 1961
 8 (22 U.S.C. 2193(b)) is amended—

9 (1) by striking the second and third sentences;

10 (2) in the fourth sentence by striking “(other
 11 than the President of the Corporation, appointed
 12 pursuant to subsection (c) who shall serve as a Di-
 13 rector, ex officio)”;

14 (3) in the second undesignated paragraph—

15 (A) by inserting “the President of the Cor-
 16 poration, the Administrator of the Agency for
 17 International Development, the United States
 18 Trade Representative, and” after “including”;
 19 and

20 (B) by adding at the end the following:

21 “The United States Trade Representative may
 22 designate a Deputy United States Trade Rep-
 23 resentative to serve on the Board in place of the
 24 United States Trade Representative.”; and

1 (4) by inserting after the second undesignated
2 paragraph the following:

3 “There shall be a Chairman and a Vice Chairman
4 of the Board, both of whom shall be designated by the
5 President of the United States from among the Directors
6 of the Board other than those appointed under the second
7 sentence of the first paragraph of this subsection.”.

8 **SEC. 8. STRATEGIC EXPORT PLAN.**

9 Section 2312(c) of the Export Enhancement Act of
10 1988 (15 U.S.C. 4727(c)) is amended—

11 (1) by striking “and” at the end of paragraph
12 (5);

13 (2) by striking the period at the end of para-
14 graph (6) and inserting a semicolon; and

15 (3) by adding at the end the following:

16 “(7) ensure that all export promotion activities
17 of the Agency for International Development are
18 fully coordinated and consistent with those of other
19 agencies;

20 “(8) identify means for providing more coordi-
21 nated and comprehensive export promotion services
22 to, and on behalf of, small and medium-sized busi-
23 nesses; and

24 “(9) establish a set of priorities to promote
25 United States exports to, and free market reforms

1 in, the Middle East, Africa, Latin America, and
 2 other emerging markets, that are designed to stimu-
 3 late job growth both in the United States and those
 4 regions and emerging markets.”.

5 **SEC. 9. IMPLEMENTATION OF PRIMARY OBJECTIVES.**

6 The Trade Promotion Coordinating Committee
 7 shall—

8 (1) report on the actions taken or efforts cur-
 9 rently underway to eliminate the areas of overlap
 10 and duplication identified among Federal export pro-
 11 motion activities;

12 (2) coordinate efforts to sponsor or promote
 13 any trade show or trade fair;

14 (3) work with all relevant State and national
 15 organizations, including the National Governors’ As-
 16 sociation, that have established trade promotion of-
 17 fices;

18 (4) report on actions taken or efforts currently
 19 underway to promote better coordination between
 20 State, Federal, and private sector export promotion
 21 activities, including co-location, cost sharing between
 22 Federal, State, and private sector export promotion
 23 programs, and sharing of market research data; and

24 (5) by not later than ~~September 30, 1999,~~
 25 *March 30, 2000, and annually thereafter*, include the

1 matters addressed in paragraphs (1), (2), (3), and
2 (4) in the annual report required to be submitted
3 under section 2312(f) of the Export Enhancement
4 Act of 1988 (15 U.S.C. 4727(f)).

5 **SEC. 10. TIMING OF TPCC REPORTS.**

6 *Section 2312(f) of the Export Enhancement Act of*
7 *1988 (15 U.S.C. 4727(f)) is amended by striking “Sep-*
8 *tember 30, 1995, and annually thereafter,” and inserting*
9 *“March 30 of each year,”.*